VZCZCXRO2275 OO RUEHRG DE RUEHSO #0708/01 1781814 ZNR UUUUU ZZH O 271814Z JUN 06 FM AMCONSUL SAO PAULO TO RUEHC/SECSTATE WASHDC IMMEDIATE 5321 INFO RUEHBR/AMEMBASSY BRASILIA 6410 RUEHRG/AMCONSUL RECIFE 3003 RUEHRI/AMCONSUL RIO DE JANEIRO 7217 RUEHAC/AMEMBASSY ASUNCION 2645 RUEHBU/AMEMBASSY BUENOS AIRES 2321 RUEHMN/AMEMBASSY MONTEVIDEO 2048 RUEHLP/AMEMBASSY LA PAZ 2876 RUEHSG/AMEMBASSY SANTIAGO 1777 RHEHNSC/NSC WASHDC RUEAIIA/CIA WASHDC RUMIAAA/USCINCSO MIAMI FL RUEAWJC/DEPT OF JUSTICE WASHDC RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHDC

UNCLAS SECTION 01 OF 02 SAO PAULO 000708

SIPDIS

DEPARTMENT FOR DS/IP/WHA, DS/ICI/PII, DS/DSS/OSAC, WHA/BSC NSC FOR FEARS DEA FOR OEL/DESANTIS AND NIRL/LEHRER DEPT ALSO FOR WHA/PDA, DRL/PHD, INL, DS/IP/WHA, DS/DSS/ITA BRASILIA FOR RSO AND LEGAT; RIO DE JANEIRO FOR RSO SOUTHCOM ALSO FOR POLAD

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: PGOV PHUM KCRM CASC SOCI SNAR ASEC BR SUBJECT: PCC FOILED IN ATTEMPTED ATTACKS ON OUTSKIRTS OF SP

REF: (A) Sao Paulo 573; (B) Sao Paulo 551; (C) Sao Paulo 532; (D) Sao Paulo 526

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY.

(SBU) SUMMARY: Sao Paulo state security officials reported on Monday, June 26, that police foiled several attacks against employees of detention facilities planned by Sao Paulo's notorious criminal gang the First Capital Command (PCC). State officials said imprisoned PCC leaders ordered street units to kill five to fifteen prison guards over a ten-day period, focusing on several specific prisoner detention and transfer facilities in metropolitan Sao Paulo. Officials reported that the police killed 13 suspected PCC members before they could execute the attacks. There were no police or bystander casualties reported. We have no indication that Amcits were in any way threatened by this recent incident, and the neighborhoods involved are not commonly visited by Americans living in or visiting Sao Paulo. At the moment, there does not appear to be any threat of a wider confrontation akin to the wave of violence that wracked Sao Paulo in May (reftels), but we have received information that police expect another attack in the same area within the next few days. END SUMMARY.

POLICE WIN ONE IN ADVANCE -----

12. (SBU) Just over a month after a brutal wave of violence orchestrated by the organized criminal gang the First Capital Command (PCC) wracked the state of Sao Paulo and resulted in over 200 deaths (see reftels), Sao Paulo state security officials reported that the PCC had planned to launch attacks against employees of several detention facilities around greater Sao Paulo, but was foiled by police raids that resulted in the deaths of 13 suspected attackers. Security officials gave few details of the police actions, but it appears that imprisoned PCC leaders had given an order to some of its street units to kill between five and fifteen prison employees over a ten-day period, focusing on the inner-ring working-class suburbs of Santo Andre, Sao Bernardo do

Campo, Diadema and Maua. It is thought that these locales were targeted because prisoner transfer facilities located in them present good targets, and because PCC leadership felt that not enough violence was unleashed in these areas during May's crime wave. (NOTE: These are not areas where American citizens generally reside or visit. But Diadema is along a lesser-traveled route between Sao Paulo and the beach/port area of Santos, and Sao Bernardo is known as a factory and industrial center, and is the hometown of President Lula. END NOTE.) At some point last week, Sao Paulo police uncovered the plot, and in the early morning hours of Monday, June 26, moved on several locations to thwart suspected attackers before they could take action against prison officials. In addition to the 13 suspects killed, five to ten persons were apprehended, all of whom have criminal records, according to the police. Several small arms were also confiscated.

GOOD INTELLIGENCE ON BOTH SIDES

- 13. (SBU) This incident highlights the rather sophisticated level of intelligence-gathering, planning and execution utilized by both the Sao Paulo public security apparatus and the PCC. As we have previously reported, the PCC has an almost corporate-like command and control structure and an intelligence network sophisticated enough to locate and kill police officers during off-duty hours both at home and in public places such as restaurants.
- 14. (SBU) State officials said that they discovered the plot to kill prison workers through intense monitoring of prisoner movements and through intercepted phone calls. The Civil Police (the investigative arm of the Brazilian law enforcement structure) conducted close surveillance of a group of suspected attackers, who

SAO PAULO 00000708 002 OF 002

apparently planned to attack prison workers at a bus stop near the Sao Bernardo Temporary Detention Center (CDP) as they were to arrive or leave for work in the early morning hours. It was reported that PCC attackers were in place by 5:00 a.m. on Monday to intercept and kill prison guards at the bus stop, but that police engaged the PCC teams two hours later after an order to attack had been given from imprisoned gang leaders. Police officials said that two suspects were killed as they waited at the bus stop for prison guards to arrive, seven were killed at two nearby gasoline stations, and a tenth was killed in a car. Three suspects reportedly escaped the area by car and headed toward Diadema, where police killed them in a gunfight at a road block.

15. (SBU) While the police apparently accurately detected and successfully foiled this plot, the PCC showed that it still has a strong network operating both within the state's prisons and on its streets. Three women were arrested near the Sao Bernardo CDP, accused of being spotters for the PCC who had monitored and recorded the routine of CDP employees, allegedly giving rise to the particular plot to use the bus stop as a target. At least six prison guards from a different CDP in the southern zone of greater Sao Paulo stayed home from work on Monday after having received death threats via telephone.

PCC LEADERS ARE SAFE AND SOUND, FOR NOW

16. (SBU) The upside for Sao Paulo's security officials is that it appears the top leaders of the PCC are secure and isolated in the Presidente Vencelsau 2 prison in the interior of Sao Paulo state. An investigative report published Sunday by the news daily Folha de Sao Paulo described the group of PCC top brass as being closely monitored around the clock by heavily armed special police units, and having very restricted privileges. The paper also reported that visits were few and closely monitored, and visitors were thoroughly searched. However, several guards were quoted as saying they feared for the future, as over time, PCC members will be released back into the streets and will seek retaliation against guards and their families. "We are on the edge of a new slaughter," said one guard, who refused to allow his name to be published. Furthermore, Sao

Paulo prison guards are again threatening to go on strike (ref B), which could weaken the tight lid that has been kept on the PCC leadership since May. Coincidently or not, the federal government opened a new state-of-the-art prison in Parana state over the weekend -- the first federal prison in Brazil -- and is touting it as the model for other penal institutions soon to be built elsewhere.

BUT WHEN WILL THEY STRIKE AGAIN?

17. (SBU) COMMENT: While the police can chalk up a win for Monday's foiled attack, the fact that the PCC got as far as they did in planning and execution begs the question of when it will strike again. Widespread violence is not anticipated during the World Cup matches, for to disrupt Brazilians' enjoyment of watching and savoring each match would be one of the fastest ways to engender animosity and provoke anger across all socio-economic classes. But clearly the PCC has in mind further strikes against public security targets, albeit apparently far more limited in scale and public impact than the events of May. In fact, uncorroborated sources have told us that the police are aware of new attacks being planned for the same areas as the attempted killings on Monday, against similar prison targets, to take place within the next several days. END COMMENT.

MCMULLEN